



MAY 8 2006

The Honorable Phil Bredesen
Governor of Tennessee
State Capitol
Nashville, Tennessee 37243-0001

Dear Governor Bredesen:

It is with pleasure that I respond to the State of Tennessee's request for a waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act. The request is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c), and appears to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's waiver submission (copy enclosed).

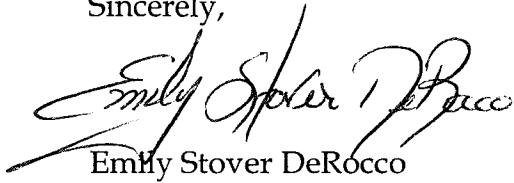
Requested Waiver: Waiver to permit the use of up to 50 percent of the funds reserved for rapid response to conduct allowable statewide activities.

The State indicates that the waiver will enhance the flexibility to provide support to local areas through a variety of strategies including incumbent worker training, on-the-job training, and customized training. Accordingly, we are granting a waiver of the language limiting the authority to provide the activities at WIA Section 134(a)(1)(B) to statewide reserve funds. This waiver permits the use of up to 50 percent of the funds reserved for rapid response activities at WIA Section 133(a)(2) to provide the allowable statewide activities authorized at WIA Section 134(a)(3), with the exception of administration, through June 30, 2007.

The granted waiver is incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and constitutes a modification of the State's approved Strategic Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco". The signature is fluid and cursive, with the first name "Emily" being the most prominent.

Emily Stover DeRocco

Enclosure